

Department of Legislative Services  
Maryland General Assembly  
2005 Session

FISCAL AND POLICY NOTE

House Bill 217 (Chairman, Economics Matters Committee)  
(By Request – Departmental – Insurance Administration, Maryland)  
Economic Matters Finance

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Insurance - Property and Casualty - Filing Fees

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This departmental bill provides that the \$125 rate and form filing fee charged by the Maryland Insurance Administration (MIA) applies to filings by insurers subject to the competitive rating provisions under Title 11, Subtitle 3; motor clubs under Title 26; and notice forms for private passenger motor vehicle insurance under § 27-605 of the Insurance Article.

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Fiscal Summary

**State Effect:** Special fund revenues would increase to the extent insurers make filing subject to the \$125 filing fee charged by MIA. Although the number of additional filings under the bill cannot be accurately estimated, it is assumed to be minimal. Expenditures would not be affected.

**Local Effect:** None.

**Small Business Effect:** MIA has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

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Analysis

**Current Law:** MIA must collect the \$125 rate and form filing fee for rate or form filings under the prior approval rate making provisions under Title 11, Subtitle 2; the title insurance provisions under Title 11, Subtitle 4; the life and health insurance and annuities provisions under § 12-203; the credit life, health, and involuntary unemployment benefit insurance under § 13-110; and the nonprofit health service plan provisions under § 14-126 of the Insurance Article.

**Background:** The competitive rating provisions apply to all lines of insurance except life insurance, annuities, health insurance, specified lines marine insurance, specified lines of aircraft insurance, reinsurance, insurance provided under the Maryland Automobile Insurance Fund, insurance provided under the Injured Workers' Insurance Fund, title insurance, medical malpractice insurance, specified lines of group insurance, and surety insurance.

**State Revenues:** There are approximately 120 private passenger automobile insurers whose potential filings for rate increase notices might be affected by the bill. Currently, these insurers may either: (1) use MIA's notice, adopted by regulation, in which case they would not be required to make a filing; or (2) use their own notice form, in which case they may need two filings in fiscal 2006 under the bill, one for increases of 15% or less and another for increases of more than 15%. It is unknown how many insurers would use MIA's form and how many would file and use their own. The maximum amount of filing fee revenue from these filings would be \$30,000 in fiscal 2006. There would probably be fewer actual filings than the maximum.

There are approximately 60 motor clubs in the State. The number of filings MIA would receive from motor clubs under the bill cannot be reliably estimated; however, if each motor club made two filings annually under the bill, filing fee revenues would increase by \$15,000 annually (120 x \$125).

MIA advises that, for competitive rating filings, the bill codifies current practice and would not affect revenues.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Insurance Administration, Department of Legislative Services

**Fiscal Note History:** First Reader - February 1, 2005  
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